

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibilities for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



山東墨龍石油機械股份有限公司

Shandong Molong Petroleum Machinery Company Limited*

(A Sino-foreign joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 568)

INSIDE INFORMATION RESULTS ESTIMATION FOR THE YEAR 2023

This announcement is made by Shandong Molong Petroleum Machinery Company Limited (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

I. Results estimation for the current period

1. Period of the results estimation: 1 January 2023 - 31 December 2023
2. Results estimation: Expected net loss (negative net profit)

Item	Current reporting period	Corresponding period of last year
Net profit/loss attributable to shareholders of listed company (RMB)	Loss: 380– 480 million	Loss: 424.9697 million
Net profit/loss after extraordinary gains or losses (RMB)	Loss: 370 – 470 million	Loss: 361.0020 million
Basic earning/loss per share (RMB)	Loss: 0.476 / share – 0.602 / share	Loss: 0.53 / share
Operating revenue (RMB)	1,250 – 1,400 million	2,765.6453 million
Operating revenue after deduction amount (RMB) ^{Note}	1,100 – 1,250 million	2,667.7507 million

Note: Operating income after deduction amount refers to the operating revenue after deducting revenue from non-principal business and revenue with no commercial substance.

II. Communication with auditors

This results estimation has not been pre-audited by certified public accountant(s). The Company has communicated in advance with the signing certified public accountants of the audit firm retained to provide annual audit services to the Company on relevant matters in connection with the results estimation, and there is no disagreement between both parties in respect of this results estimation.

III. Reasons for changes in results

1. During the reporting period, the sales volume of products and the operating income decreased due to insufficient orders for a part of the products.
2. During the reporting period, the Company has adjusted its product structure and reduced the production and sales of general pipe and casting and forging products, resulting in a significant year-on-year decline in the production and sales of related products and insufficient utilization rate of production lines, which in turn led to increased costs and expenses and a decline in total comprehensive gross profit margin of the products.
3. During the reporting period, the Company has regularly conducted tests on its various assets and made provision for asset impairment for relevant assets with signs of impairment in accordance with relevant accounting standards. The evaluation in respect of impairment tests for various certain assets is in progress. The amount of provision for asset impairment of the Company during the reporting period shall be subject to the final audit and evaluation results.

The above-mentioned factors resulted in a loss in the Company's operational results.

IV. Risk Warning

This results estimation is only a preliminary estimation made by the finance department of the Company and has not been audited by certified public accountants. The actual financial information of the Company is subject to the 2023 annual results and annual report to be duly disclosed by the Company in due course.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Shandong Molong Petroleum Machinery Company Limited*
Yuan Rui
Chairman

Shandong, the PRC
30 January 2024

As at the date of this announcement, the board of directors of the Company comprises the executive Directors, namely Mr. Yuan Rui, Mr. Yao You Ling, Mr. Li Zhi Xin and Mr. Zhao Xiao Tong; the non-executive Directors, namely Mr. Ding Yi and Ms. Zhang Min; and the independent non-executive Directors, namely Mr. Tang Qing Bin, Mr. Song Zhi Wang and Mr. Cai Zhong Jie.

** For identification purposes only*